GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1809
ANSWERED ON:01.08.2003
SHIFTING OF SPECIAL SERVICES TO STATES
ADHIR RANJAN CHOWDHURY;BASUDEB ACHARIA

Will the Minister of FINANCE be pleased to state:

to the Unstarred question number 6843 dated May 9, 2003 and state:

(a) whether legislative measures in regard to shifting of some specified services to the States for taxation purpose have been completed;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (ANANDRAO V. ADSUL)

(a): No, Sir.

(b): Does not arise.

(c): The Constitution (95th Amendment) Bill has already been passed by both the Houses of Parliament during theBudget Session 2003. This amendment provides for a specific entry 92C in the Union List which provides for tax on services.A new Article 268A as well as consequential amendment to Article 270 has been made to enable Parliament to formulate by law, the principles for determining the modalities for levy of tax on services by the Central Government and collection and appropriation of the proceeds thereof by the Central and State Governments.As per Article 368, clause (2) (c) of the Constitution, the Billas passed by the Parliament has to be ratified by the legislatures of not less than one half of the States by Resolution to that effect passed by those legislatures before the Bill making provision for such amendment is presented to the President for assent. Thereafter, the Constitution amendment Bill will be notified as an Act.